

EXECUTIVE SECRETARIAT**Routing Slip**

| TO: | | ACTION | INFO | DATE | INITIAL |
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| 1 | DCI | | | | |
| 2 | DDCI | | ✓ | | |
| 3 | EXDIR | | | | |
| 4 | D/ICS | | | | |
| 5 | DDI | | ✓ | | |
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| 8 | DDS&T | | | | |
| 9 | Chm/NIC | | | | |
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| 12 | Compt | | | | |
| 13 | D/EEO | | | | |
| 14 | D/Pers | | | | |
| 15 | D/OEA | | | | |
| 16 | C/PAD/OEA | | | | |
| 17 | SA/IA | ✓ | | | |
| 18 | AO/DCI | | | | |
| 19 | C/IPD/OIS | | | | |
| 20 | C/LA/DDO | | ✓ | | |
| 21 | N/D/LA | | ✓ | | |
| 22 | D/ALA | | X | | |
| | | SUSPENSE _____ Date _____ | | | |

Remarks:

Executive Secretary

Date

United States Department of State

Washington, D.C. 20520

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September 1, 1983

Executive Registry

85-4324

TO: WH - Mr. Duberstein
OVP- Mr. Donald P. Gregg
NSC- Mr. Robert Kimmitt
CIA-
DOD- Col John Stanford
JCS- Ltc. Dennis Stanley

FROM: S/S-S - Bill Brownfield WB

SUBJECT: Point Paper for SIG on Nicaragua

The attached point paper will serve as a basis of discussion for the Senior Interagency Group (SIG) meeting, chaired by Under Secretary Eagleburger, which will meet on Friday, September 2 at 4:30 p.m. in the D Conference Room (7219) at the Department of State.

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The Nicaraguan Resistance Movement
and the Search for Peace in Central America

The achievement of a negotiated settlement to the current Central American conflicts is a key US policy objective in the region. There are now signs of movement toward this goal. A critical element in this improved climate has been signs of a changed attitude by the Sandinista regime in Nicaragua.

This development has been fostered by the armed resistance movement now active in Nicaragua--a movement that poses a threat to vital Sandinista interests and impairs their capacity to spread revolution. At this critical juncture, however, the President is threatened with a loss of authorization to help the Nicaraguan resistance forces. If this happens, the movement toward a negotiated settlement stands to suffer a severe setback as the Sandinistas revert to their former intransigence.

The removal of this incentive for negotiation of a peaceful settlement would invite continued, and even increased Nicaraguan support for insurgency and terrorism in neighboring countries. It would also make it easier for the Sandinistas, with Cuban and Soviet assistance, to pursue the destabilization of governments friendly to the U.S. by providing a continued sanctuary within Nicaragua for subversives from other Central American countries.

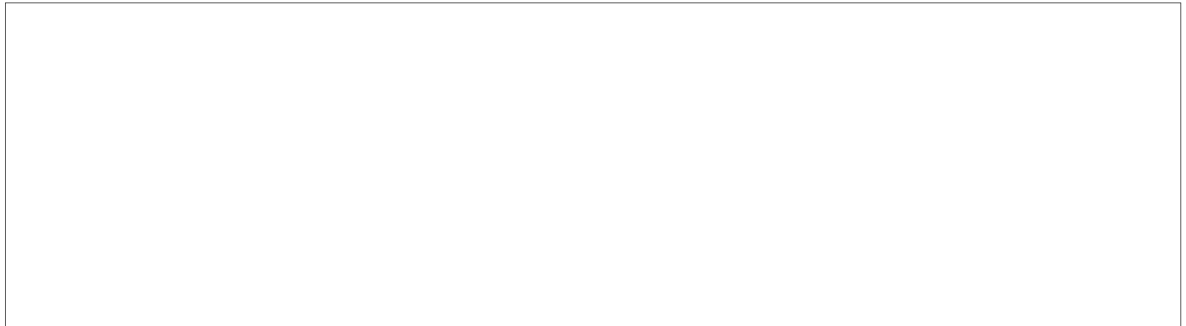
Reducing the prospects for successful negotiations and diminishing the impediments to Nicaraguan support for neighboring insurgencies would undermine U.S. foreign policy objectives and important security interests in Central America.

The attached point paper spells out in greater detail the relationship between US security interests and hope for a negotiated settlement on the one hand, and the pressure being brought to bear by the Nicaraguan resistance movement on the other.

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Nicaraguan support for subversion and terrorism in neighboring countries is a fact. This support is carried out under the active direction of Cuba and the Soviet Union.

- The abundant and well-documented evidence for this is overwhelming. There can be few objective observers, in this country or abroad, who are unconvinced of Sandinista support for external subversion.
- The Democratic controlled House Permanent Select Committee on Intelligence has consistently confirmed Nicaraguan and Cuban support for Central American guerrilla groups (see for example the Committee staff report of September 22, 1982 and the Committee report of May 13, 1983).
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The Nicaraguan/Cuban/Soviet support for subversion and terrorism in Central America is a vital ingredient in the continuing turmoil and instability in Central America, undermining basic U.S. security interests and foreign policy objectives.

- Central America's stability and development can best be realized through democracy, reform, human freedom and equitably distributed economic growth.
- As opposed to these goals, the leftist guerrillas now operating in the region represent forces of political repression, a one-party state, militarization, and close ties to the Soviet Bloc.
- History shows it is difficult to defeat a guerrilla movement with a geographically proximate sanctuary, command and control center and source of resupply. Nicaragua serves these purposes for the Salvadoran guerrillas.
- As long as this situation continues, the U.S. faces an open-ended cycle of violence and turmoil throughout the area and such direct threats to its national security as hostile control of vital searoutes; a massive flood of refugees; and expanded Soviet/Cuban political and military presence.

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Before Nicaragua will cease its intervention in neighboring countries, it must realize that its continued support for terrorism and subversion gives rise to countervailing pressures that threaten the Sandinistas' own national interests.

- Since early in their rule, the Sandinistas have demonstrated that they share with the USSR and Cuba a deep ideological commitment to spread Marxist revolution.
- Financial, military, and political support from the Soviet Bloc, radical Arabs, and others have given the Sandinistas immunity from conventional diplomatic/economic pressures as they subvert their neighbors.
- The history of US bilateral aid is illustrative: we gave the Sandinistas \$118 million in direct assistance before cutting off aid due to Sandinista support for Salvadoran insurgency. This had no deterrent effect. Similarly, we offered to restore aid if the Sandinistas stopped exporting subversion. This, too, failed to sway them.
- Over the past several months, however, the Sandinistas have had to face, for the first time, a threat to their internal control in the form of an armed resistance movement opposed to Sandinista external and internal policies. The pressure generated by this movement offers the best hope yet of shaking the Sandinistas from their single-minded support for region-wide revolution and bringing them to the negotiating table.

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Nicaragua and its neighbors. Removal of pressure would undercut the negotiating process and thereby diminish prospects for democratic reforms and stability in the region.

- On July 19, Sandinista Junta Coordinator Ortega announced a six-point peace plan which, though flawed, included for the first time Nicaragua's acceptance of multilateral negotiations as well as an end to arms trafficking and training in support of subversive movements; an end to arms supplies to both sides in El Salvador (admission that guerrillas receive outside arms); withdrawal of foreign military bases and end to joint military exercises.
- A few days later, Cuban Premier Castro admitted the presence of Cuban security advisers in Nicaragua; implied that under certain circumstances he would be willing to withdraw advisers and end arms shipments to Nicaragua; recognized the multilateral nature of Central American problems and the need for concessions from all sides; and said Cuba would support elections with guarantees in El Salvador.
- The Contadora process--which the US supports--continues on track providing an important vehicle for discussions among all parties to regional conflicts as well as a specific substantive framework for an eventual negotiated settlement.
- Ambassador Stone has held two meetings with the Salvadoran left, and representatives of the Salvadoran left, for the first time, met in August with the Government of El Salvador's Peace Commission.
- These initial moves toward a possible peaceful settlement, following a long period of intransigence by the Sandinistas and their Cuban mentors, must be attributed to the pressures being felt from the determined resistance of neighboring countries to Nicaraguan-sponsored subversion, the demonstrated capacity of the United States to assist these threatened nations and, most significant, to the pressures being brought on the Sandinistas by the Nicaraguan resistance movement.
- It is only the resistance movement that poses a direct threat to Sandinista domination of Nicaragua. This movement is therefore the strongest incentive for the negotiation of a political settlement in Central America. Denying the President authority to assist this movement risks undercutting this hopeful trend toward Nicaraguan willingness to negotiate.

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